

2004 Transportation Supplemental Budget

Background

The 2003 Legislative session implemented a number of changes to improve the accountability, efficiency, and oversight of our state's transportation system and the associated agencies. The enacted 03-05 biennium Transportation Budget built upon that foundation with targeted funding of specific activities and through linking new revenue with specific projects to be delivered.

Recent Developments

Since the completion of the 2003 Legislative session, the courts rendered a decision on Initiative 776 that eliminated some local transportation option taxes and reduced the gross weight fees on light trucks under 10,000 pounds to \$30.

The reduction of the gross weight fees affected the Motor Vehicle Account, the Washington State Patrol Highway Account, the Puget Sound Ferries Operation Account, and the Transportation 2003 Account. Combined, these accounts were reduced by \$42.8 million in the current biennium and approximately \$200 million over 10 years.

Addressing the ShortFall

Three strategies -- federal funds swap, fund transfers, and program reductions -- are used to eliminate the deficit in the Motor Vehicle Account and to provide additional funds for mandated or high priority activities.

Federal Funds Swap

- **\$18.6 million** – The Washington State Ferries received an additional \$18.6 million in federal funds. Using these additional funds in lieu of the originally budgeted state and bond appropriation allows for an equivalent amount of state funds to be freed up; covering a portion of the deficit in the Motor Vehicle Account.

Fund Transfers

Transportation account balances were reviewed for any funds that could be transferred to the Motor Vehicle Account. The following balances are transferred to the Motor Vehicle Account:

- **\$5.0 million** – from the Transportation Equipment Fund;
- **\$3.0 million** – from the Advance Right of Way Account.

Program Reductions

The following are examples of program reductions included in the supplemental budget:

- **\$7.6 million** – Self-insurance premiums;
- **\$1.9 million** – Unfilled positions ;

Budget Additions

High Priority Projects/Activities

The following are examples of high priority additions included in the supplemental budget:

- \$13.9 million for local freight mobility projects which includes projects at the Port of Pasco, Port of Kalama, Benton County, City of Fife, Colville, Kent, Seattle, Spokane County and Granite Falls;
- \$3.8 million to implement required security plan for ferries;
- \$1.0 million for the Safe Routes for Schools Program;
- \$1.7 million for a noise wall on I-5 in Clark County;
- \$11.0 million from the Puyallup Tribal Settlement Account to mitigate effects on traffic currently being served by the Murray Morgan Bridge in Tacoma;
- \$1.2 million for the design of a SR 507 to SR 510 bypass in Yelm;
- \$550 thousand for a SR 169 Corridor Study;
- \$948 thousand in federal and state DUI cost reimbursements for 65 in car video cameras and 60 replacement DataMaster breath test instruments;
- \$800 thousand for a new freight rail spur in Lewis County;
- \$650 thousand for phase two of the SR 164 Corridor Study;
- \$500 thousand for flood control activities on Skagit River;
- \$500 thousand as a state match to federal funds for the flex car program;
- \$500 thousand for a sensitive lands database for use in GIS systems;
- \$400 thousand for a traffic and economic study of the Mt. St. Helen's tourist and recreation area; and
- \$157 thousand for Department of Licensing employee safety.
- \$2.4 million for digitized flat license plates.

Mandatory Increases

The following are examples of mandatory increases included in the supplemental budget:

- \$3.3 million to pay for the refund checks to truck owners affected by I-776;
- \$906 thousand for increase ferry insurance premiums;
- \$647 thousand for increased fuel costs for the Washington State Ferries;
- \$873 thousand in federal funding for the New Entrants and Northern Border High Priority Programs administered by the Washington State Patrol;
- \$470 thousand for ignition interlock requirements and commercial license compliance with new federal regulations.

Funding to Implement Legislation

- \$452 thousand to implement 3SSB 5412 dealing with using biometrics to prevent identity theft;
- \$369 thousand to implement ESSB 5428 allowing for online renewal of drivers licenses.
- \$138 thousand for various new license plate bills.

Proposed Changes to the New Revenue Project List

Included in the supplemental budget are a few project adjustments to reflect updated priorities based on new information. Changes include:

- Accelerating two projects that will help mitigate traffic impacts during the 2010 Olympics; the Everett/I-5 HOV lane and the SR 539/Ten Mile Road to SR 546 projects;